

# RURAL DEVELOPMENT

## Guaranteed Single Family Housing Program

Lenders' Symposium  
April 6, 2005



# Rob Cross

Penobscot, Piscataquis, Somerset, Waldo,  
Hancock, Knox



# Partnership

- Our guaranteed housing program represents an exciting partnership between the private and federal sector
- Private loan \$
- Backed by Federal guarantee
- Serviced by the private sector



# Consumer Cost Comparison

	RD - 100% Financing		FHA - 97% Financing		MGIC - 95% Financing	
<b>Rates/Terms</b>	30 yrs.	4.87%	30 yrs	4.87%	30 yrs.	4.87%
<b>Purchase Price</b>		\$ 75,000.00		\$ 75,000.00		\$ 75,000.00
<b>Downpayment</b>	0%		3%	\$ 2,250.00	5%	\$ 3,825.00
<b>Adm. Fee/Closing</b>	2.00%	\$ 1,500.00	1.50%	\$ 1,130.00	0%	\$ -
<b>Closing Costs</b>		\$ 1,500.00		\$ 1,500.00		\$ 1,500.00
<b>Total \$ borrowed</b>		\$ 78,000.00		\$ 75,380.00		\$ 72,675.00
<b>Monthly Payment:</b>						
<b>P/I Pmt.</b>		\$ 413.40		\$ 398.69		\$ 384.38
<b>Tax/Insurance</b>		\$ 95.00		\$ 95.00		\$ 95.00
<b>PMI Insurance</b>		\$ -		\$ 32.41		\$ 31.25
<b>Total monthly pmt.</b>		\$ 508.40		\$ 526.10		\$ 510.63
<b>Upfront cost to borrower:</b>		\$0.00		\$ 2,250.00		\$ 3,825.00
<b>Total Adm. fees/PMI fees</b>		\$ 1,500.00	13 yrs.	\$ 6,186.00	11 yrs.	\$ 4,125.00

Note: FHA principal pay down to 80% of AMV would take @13 years. MGIC principal pay down to 80% of AMV would take @11 years. Once principal balance reaches 80% of AMV, monthly PMI is dropped from payment.



# Adjusted Family Income

## Income

**\$60,000 Wages**  
**\$ 6,000 Part-time**  
**\$ 2,600 Child Support**  
**\$68,600 Total Income**

## Deductions

**\$ 960 2 Children @ \$480ea**  
**\$3,900 Babysitting @ 75/w**  
**\$4,860 Total Deductions**

**Adjusted Family Income:  $\$68,600 - \$4,860 = \$63,740$ .**

**Maximum AFI for Penobscot County( non MSA ) for  
Family of 4 is \$66,700.**

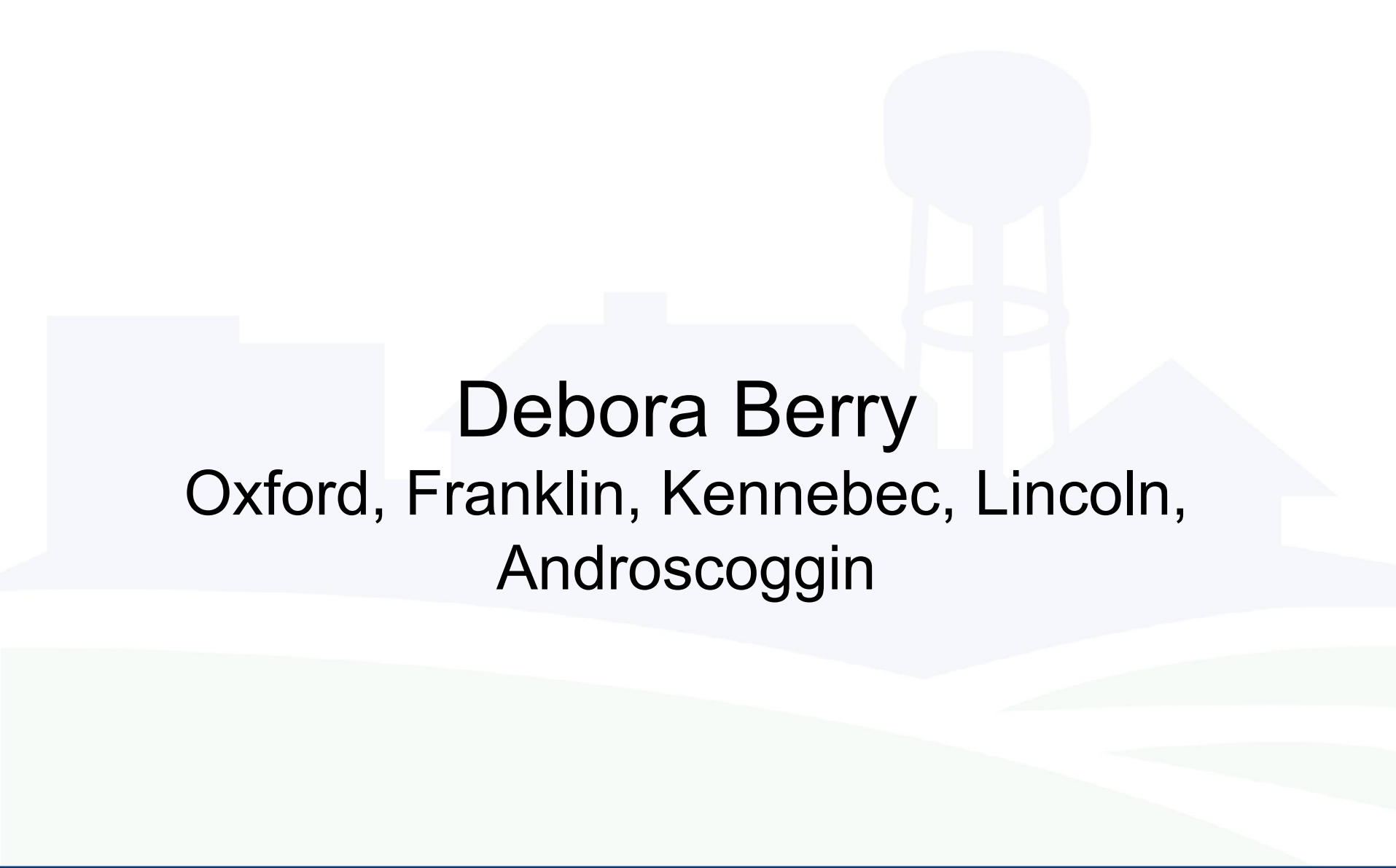


# Eligibility Website

For “On Line” access to income guidelines, ineligible area maps and descriptions and a new income eligibility calculator, log on to:

<http://eligibility.sc.egov.usda.gov/eligibility>





# Debora Berry

Oxford, Franklin, Kennebec, Lincoln,  
Androscoggin



# OBJECTIVE

To provide assistance to applicants in obtaining adequate, modest, decent, safe, and sanitary dwellings and related facilities for their own use in rural areas by guaranteeing sound Rural Housing loans, which otherwise would not be made without a guarantee





# Eligible Loan Purposes

- Purchase New Dwelling
- Purchase Existing Dwellings
- Purchase and Repair Existing Dwellings
- Manufactured Homes
- Condominiums
- Townhouses
- Refinance

# Eligible Loan Purposes

Loan Closing Costs, which may include:

- Attorney Fees
- Title Clearance
- Appraisal
- Survey
- Guarantee Fee



# All Loans

- Lot value must be 30% or less of Total Value of the Property
  - Unless property cannot be subdivided AND
  - Value of the site is typical for the area
  - Exceptions must be documented
- Property must be located in an Eligible Area

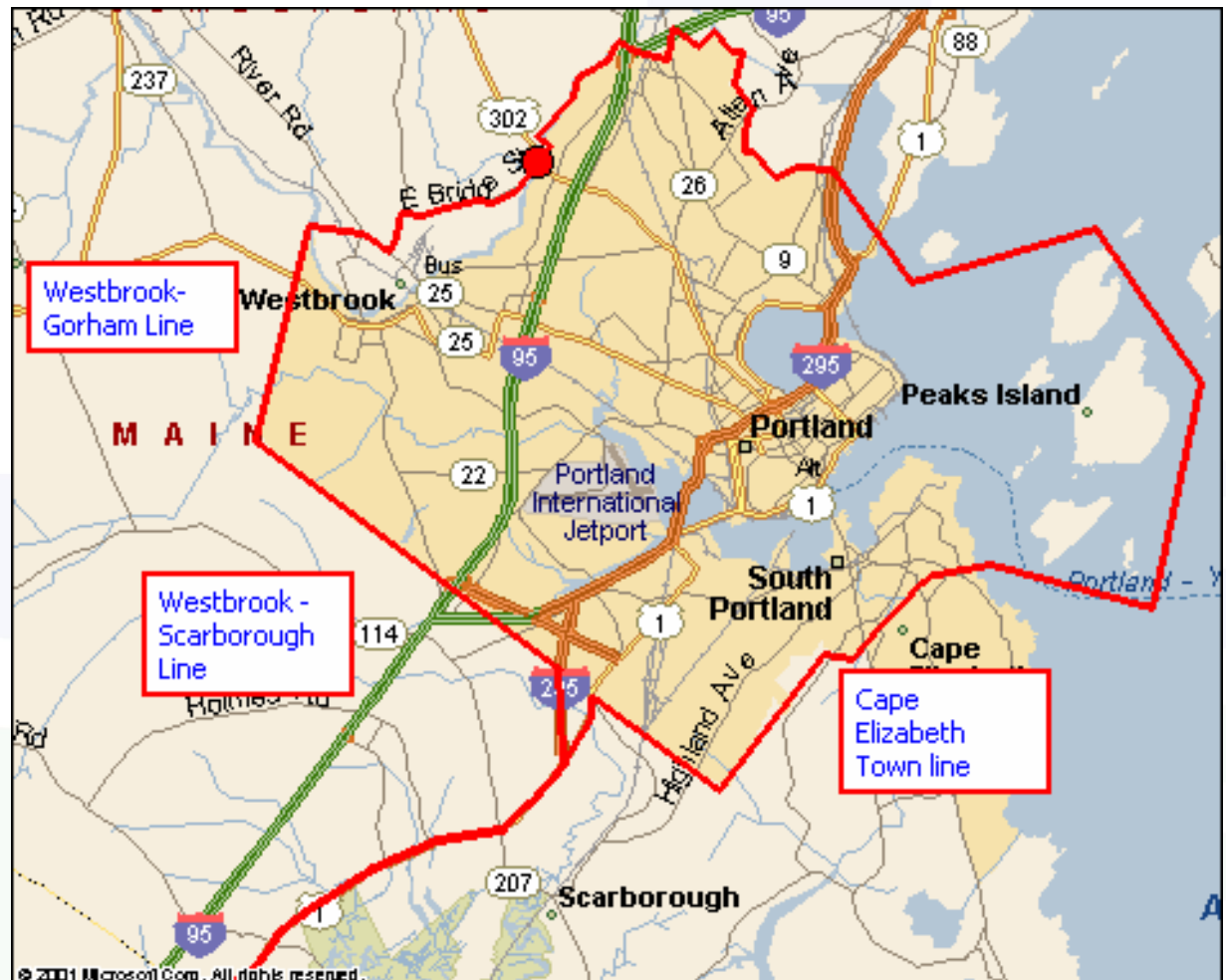
# Androscoggin County Ineligible Area

Lewiston /  
Auburn



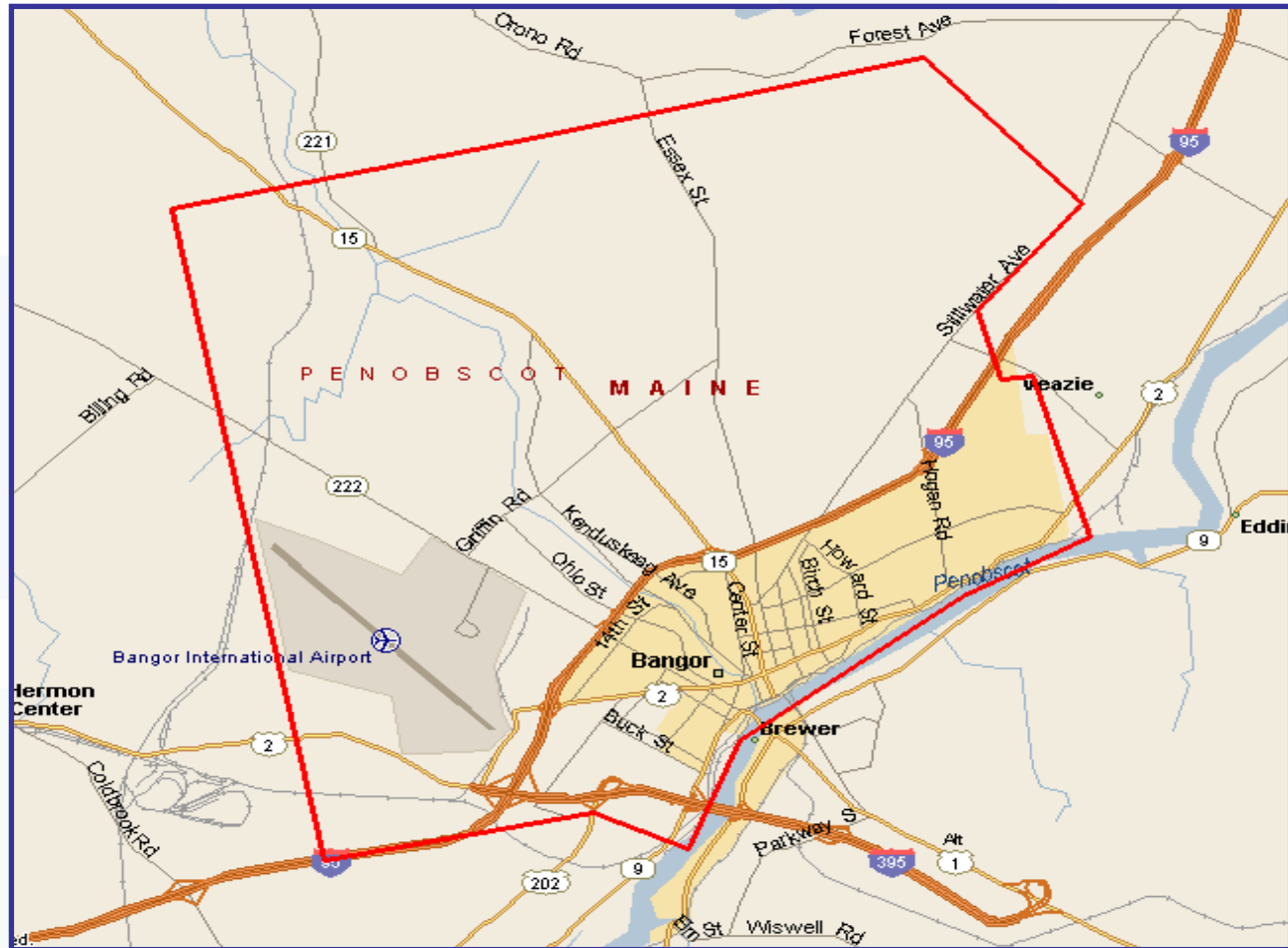
# Cumberland County Ineligible Area

Portland /  
South Portland



# Penobscot County Ineligible Area

Bangor



# York County Ineligible Area

Saco /  
Biddeford



# Eligible Area Maps Website

For “On Line” access to income guidelines, ineligible area maps with text descriptions, and a new income eligibility calculator, log on to:

<http://eligibility.sc.egov.usda.gov/eligibility>





# Purchase New

Includes Modular and Stick Built Homes  
less than 1 year old

- Plan Certification
- Must meet CABO one and two Family Dwelling Code for Single Family Housing 1995 edition
- CABO Model Energy Code, 1992 Edition (Thermal Standards)



- Site Evaluation (HHE 200)
- Three required Inspections during construction phase
  - Foundation
  - Shell
  - Final
- Inspections must be completed by inspector deemed qualified by the lender

# Warranties

- Builders Warranty

One year Warranty provided by Contractor

- Insured 10 Year Warranty

Eliminates the requirement for Foundation and Shell Inspections

RD Instruction 1924-A, Exhibit L

Approved 10 year Warranty Companies



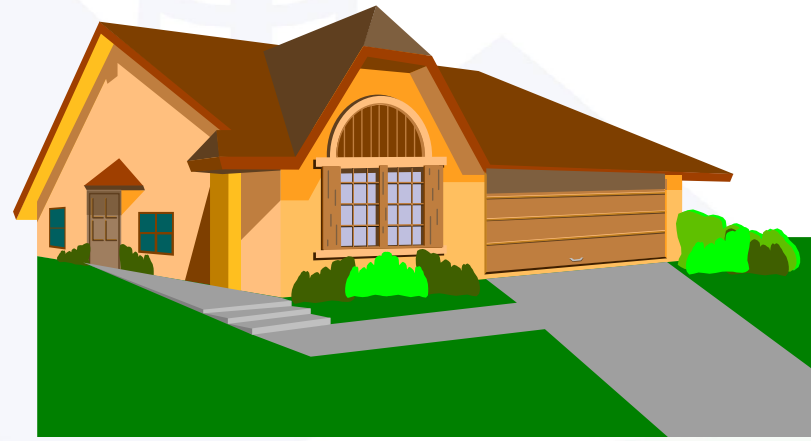
# Purchase New Summary

- Certified Building Plans and Specifications
- Three required Inspections
  - **Foundation**   - **Shell**   - **Final**
- Rural Development Thermal Standards
- Qualified Inspector
- Water and Waste Water Disposal Systems have been approved
- One Year Builder Warranty
- If an insured 10 (yr) warranty is supplied, the foundation and shell inspection are not required



# Existing Dwellings

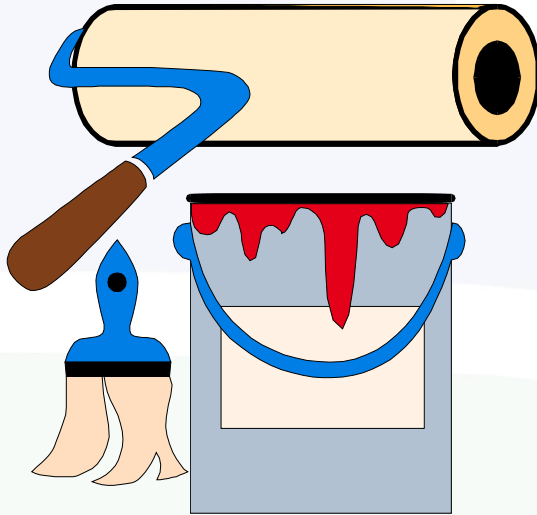
- Existing dwelling, must meet requirements of HUD Handbooks 4150.2 and 4905.1  
(1-800-767-7468)
- RHS Thermal Standards
- Adequate Water and Waste Water Disposal Systems



- Documentation
    - HUD VC Sheets
    - Property Inspection Report
  - All required development must be completed
- Or
- New England Escrow Waiver Program

# New England Escrow Waiver Program

*3 Year Pilot Program for New England States Allows escrow for development after closing for existing dwellings*



- Does not replace escrow requirements for seasonal delays
- Complete within 180 days
- Cannot affect health & safety of housing occupants
- Requires written consent from RD prior to RD issuing the Loan Note Guarantee

# Wood Destroying Insects

Cumberland and York  
Counties Only

<b>Section I. General Information</b> Inspection Company, Address & Phone LUCKY BUGS - PEST CONTROL SERVICES 2 GLASSHOPPER LANE 607-555-1834		Company's Business Lic. No. #12 BURGONE3A	Date of inspection 3-4-05
Inspector's Name, Signature & Certification, Registration, or Lic. # BUG FINDER <i>[Signature]</i> #12 BURGONE3A		Address of Property Inspected 1 HAPPY LANE BRIDGTON, ME 04009	
Structure(s) inspected CAPE RESIDENCE			

**Section II. Inspection Findings** This report is indicative of the condition of the above identified structure(s) on the date of inspection and is not to be construed as a guarantee or warranty against latent, concealed, or future infestations or defects. Based on a careful visual inspection of the readily accessible areas of the structure(s) inspected:

☒ A. No visible evidence of wood destroying insects was observed.

☐ B. Visible evidence of wood destroying insects was observed as follows:

☐ 1. Live insects (description & location): \_\_\_\_\_

☐ 2. Dead insects, insect parts, frass, shelter tubes, exit holes, or staining (description and location): \_\_\_\_\_

☐ 3. Visible damage from wood destroying insects was noted as follows (description and location): \_\_\_\_\_

**NOTE:** This is not a structural damage report. If box B above is checked, it should be understood that some degree of damage, including hidden damage, may be present. If any questions arise regarding damage indicated by this report, it is recommended that the buyer or any interested parties contact a qualified structural professional to determine the extent of damage and the need for repairs.

Yes ☐ No ☐ It appears that the structure(s) or a portion thereof may have been previously treated. Visible evidence of possible previous treatment: \_\_\_\_\_

The inspecting company can give no assurances with regard to work done by other companies. The company that performed the treatment should be contacted for information on treatment and any warranty or service agreement which may be in place.

**Section III. Recommendations**

☒ No treatment recommended: (Explain if Box B in Section II is checked) \_\_\_\_\_

☐ Recommend treatment for the control of: \_\_\_\_\_

<b>Section IV. Obstructions and Inaccessible Areas</b> The following areas of the structure(s) inspected were obstructed or inaccessible: <input type="checkbox"/> Basement <input type="checkbox"/> Crawlspace <input checked="" type="checkbox"/> Main Level 1, 3, 4, 7 <input checked="" type="checkbox"/> Attic 11, 5, 1 <input checked="" type="checkbox"/> Garage 7, 19 <input checked="" type="checkbox"/> Exterior 17, 20 <input type="checkbox"/> Porch <input type="checkbox"/> Addition <input type="checkbox"/> Other	The inspector may write out obstruction or use the following optional key: 1. Fixed ceiling 13. Only visual access 2. Suspended ceiling 14. Cluttered condition 3. Fixed wall covering 15. Standing water 4. Floor covering 16. Dense vegetation 5. Insulation 17. Exterior siding 6. Cabinets or shelving 18. Window well cover 7. Stored items 19. Wood pile 8. Furnishings 20. Snow 9. Appliances 21. Unscale condition 10. No access or entry 22. Rigid foam board 11. Limited access 23. Synthetic stucco 12. No access beneath 24. Duct work, plumbing and/or wiring
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Section V. Additional Comments and Attachments** (these are an integral part of the report)

Attachments \_\_\_\_\_

<b>Signature of Seller(s) or Owner(s)</b> If refinancing, Seller acknowledges that all information regarding W.D.I. infestation, damage, repair, and treatment history has been disclosed to the buyer. X <i>[Signature]</i>	<b>Signature of Buyer.</b> The undersigned hereby acknowledges receipt of a copy of both page 1 and page 2 of this report and understands the information reported. X <i>[Signature]</i>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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ORIGINAL

Page 1





# Prohibited Loan Purposes

- No Income Producing Properties
- No In-ground Swimming Pools
- No Properties in flood hazard areas

# Manufactured Homes

- Homes must be new
- Must be placed on private lot
- Put on a permanent, approved foundation
- Purchased through an approved dealer/contractor, and
- Must meet FMHCSS standards



# Approved Dealer/Contractors

Al Benner Homes  
Holden

Maine Source  
Poland

Ames Home Center  
Canaan

Ray's Homes  
Warren

Boggs Homes  
Warren

Ralph's Homes  
Waldoboro

Friendship Homes, Inc  
Hollis

Southern Maine Homes  
Lyman



# Condominium & Townhouses

- Must be served by a homeowners association
- Homeowners Association must be under control of the homeowners
- Established Escrow Account
- Approved by HUD, VA, Fannie Mae, or Freddie Mac
- Acceptable Appraisal Reports

# Refinance

- Must be currently financed through Rural Development's Direct or Guaranteed Single Family Housing Program
- Guarantee Fee is .5 Percent
- Term must be 30 years on new loan
- Interest rate cannot exceed the rate on the existing loan
- Cannot refinance home equity seconds or provide cash out to applicant

# Veronica Iannetta

## Cumberland, York & Sagadahoc



Committed to the future of rural communities.

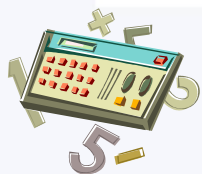
# Rates, Terms & Fees

- **Interest Rate:**
  - must be fixed for the entire note.
- **Terms of Loan Repayment:**
  - The term of the loan must be for 30 years.
- **Guarantee Fee:**
  - One time non-refundable fee equal to 2% of the loan. The fee is .5% of the loan amount for refinancing RD direct and guaranteed loans.
  - The guarantee covers 90% of the original loan amount. The fee may be passed on to the borrower. There are no monthly charges.



# Rates, Terms & Fees

- To calculate a loan amount which includes the fee, divide the original principal loan amount by .98 (1.00 less the .02 fee rate), and round to the nearest cent.



$$\$91,500 / .98 = 93,367.35$$

$$\text{Loan with fee } \$93,367.35 \times .02 = \$1,867.35$$



[GRH Fee Calculator 01-24-05.xls](#)

- Charges and fees may be established by the Lender for the loan, provided they do not exceed those charged other customers for similar transactions.



# Rates, Terms & Fees

- Appeals:

- The borrower and lender can jointly appeal a RD administrative decision which directly or adversely affects them.
- Only the Lender may appeal cases where RD has reduced or denied the amount of a loss payment
- The applicant has no appeal rights to RD regarding the Lender's loan making and servicing actions.

- Escrows:

- Real Estate Taxes & Homeowners Insurance
- May be established to insure the completion of exterior items which cannot be completed due to weather



# Appraisals

- Lender will submit a copy of an appraisal of all property serving as security for the proposed loan with request for LNG.
- Acceptable appraisal forms:
  - ✓ Uniform Residential Appraisal Report (URAR)(Freddie Mac Form 70/Fannie Mae Form 1004).
  - ✓ Desktop Underwriter Quantitative Analysis Appraisal Report (Fannie Mae Form 2055)
  - ✓ Loan Prospector Quantitative Analysis Appraisal Report (Freddie Mac Form 2055)
  - ✓ Individual Condominium Unit Appraisal Report (Fannie Mae Form 1073, Freddie Mac Form 465) for individual condominium units only.
- RD does a desk review prior to issuance of CC. Field review of at least one appraisal by each appraiser each year.

# RD Review of Applications

Lender submits application package to RD Area Office

RD reviews it for completeness &  
Determines whether the proposed loan is to an eligible Applicant and for an eligible loan purpose

RD will notify the Lender within 2 business days of receipt of a complete application of their decision



# RD Review of Applications

## Incomplete Applications -

- RD will contact Lender by telephone. Incomplete applications will be returned to the Lender if the package will not or cannot be made complete within 3 working days.

## Denial –

- If RD determines it is unable to guarantee the loan, the Lender will be informed in writing. Such notification will include the reasons for denial and appropriate appeal or review rights.



# RD Review of Applications

## Issuance of Conditional Commitment –

- RD determines they will guarantee loan
- Prepares Form RD 1980-18 “Conditional Commitment for Single Family Loan Guarantee”
- Lists all approval requirements
- CC is valid for 90 days with an option by RD to renew for an additional 90 days

# RD Review of Applications

## Accepting Conditions –

- After reviewing the conditions of the CC, the lender may proceed with loan closing
- Any revisions to the terms of the CC must be approved by RD and Form RD 1980-18 must be revised

## Canceling the Commitment –

- If prior to loan closing the Lender decides they no longer want the LNG, RD approval official should be notified



# Requirements for Issuance of Loan Note Guarantee

1. Lender Certification
2. Inspections
3. Plans for Marketing
4. Lender File
5. Reporting Loan Closing
6. RD Review

# Loan Workflow

## LENDER:

Takes application

Reserves funding by faxing  
form 1980-86

Obtains required  
documentation

Underwrites loan reviewing  
it for RD guidelines

Submits loan package  
To RD for review

## RD:

Reviews loan and  
obligates guarantee

Issues CC  
w/in 48 hrs

## LENDER:

Receives CC

Closes the loan

Sends closing package  
w/Guar Fee  
to RD area office

1. Lender Certification (Reverse of Form 1980-18)
2. Loan Closing report (Form 1980-19)
3. A copy of the Promissory Note
4. A copy of the Mortgage
5. Any other conditions listed in the CC
6. Lender's Certification of Inspections  
(Exhibit B if applicable)
7. Form 1980-11 (GRH Lender Record Change)  
if loan/servicing is sold





# Loan Workflow

RD:

Reviews Closing Package

Issues Loan Note Guarantee  
(Form 1980-17)

LENDER:

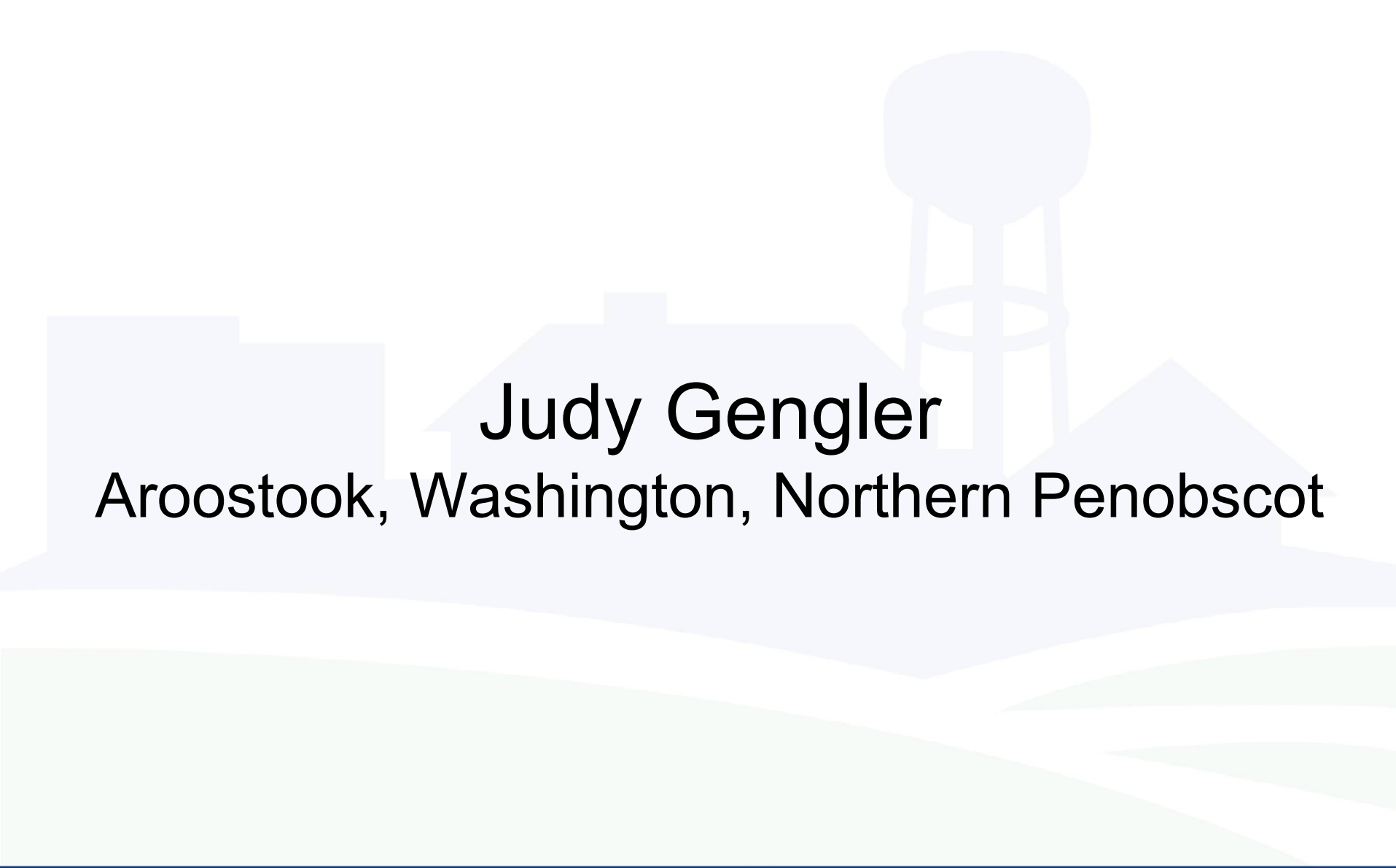
May sell loan/servicing  
to secondary mortgage  
market or servicing lender

Services loans in accordance  
with RD Instruction 1980.370-.377

RD:

Reviews 10% outstanding  
loans serviced by  
lender every 2 years





# Judy Gengler

## Aroostook, Washington, Northern Penobscot



# Forms to be Completed by Lender

- 1980-86 “Request for Reservation of Funds”
- AD-1048 “Certification Regarding Debarment”
- 1980-21 “Request for Loan Note Guarantee”
- 1980-19 “Closing Report”

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
RURAL HOUSING SERVICE (RHS)  
GUARANTEED RURAL HOUSING (GRH)

REQUEST FOR RESERVATION OF FUNDS

LENDER INFORMATION:

Submitting Lender Name:	Lender Mortgage Company	Tax I.D. No.	0123456789
Address:	Money Street		
	Anytown, ME 00000		
Lender Contact Person:	Mary Lender		
Contact Phone No.	(207) 555-1234	Ext.	123 Fax No. (207) 555-5678
<b>RHS Approved Lender</b> (Complete when Submitting Lender (listed above) is not an RHS Approved Lender):			
Name:	Tax I.D. No.		

APPLICANT/PROPERTY INFORMATION:

Reservation Amount Requested: \$ 100,000.00 ☐ Applicant and Co-Applicant are both First Time Homebuyers  
Is this a Refinance Loan? ☐ Yes If Yes, Loan being refinanced is a RHS ☐ Guaranteed Loan OR ☐ Direct Loan

<b>Applicant Information</b>	<b>Co-Applicant Information</b>
Name: Joe Applicant	Name:
SSN: 000-11-2222	SSN:
<small>OPTIONAL: (Please circle or mark as appropriate)</small>	<small>OPTIONAL: (Please circle or mark as appropriate)</small>
Veteran: Yes <input checked="" type="radio"/> No <input type="radio"/> Disabled: Yes <input type="radio"/> No <input checked="" type="radio"/> Gender: <input checked="" type="radio"/> M <input type="radio"/> F	Veteran: Yes <input type="radio"/> No <input checked="" type="radio"/> Disabled: Yes <input type="radio"/> No <input checked="" type="radio"/> Gender: <input type="radio"/> M <input type="radio"/> F
<b>Ethnicity:</b> (Check only one box) <input type="checkbox"/> Hispanic or Latino <input checked="" type="checkbox"/> Not Hispanic or Latino	<b>Ethnicity:</b> (Check only one box) <input type="checkbox"/> Hispanic or Latino <input checked="" type="checkbox"/> Not Hispanic or Latino
<small>(Check as many boxes as applicable)</small> <b>Race:</b> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input checked="" type="checkbox"/> White	<small>(Check as many boxes as applicable)</small> <b>Race:</b> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
<b>Marital Status:</b> <input type="checkbox"/> Married <input type="checkbox"/> Separated <input checked="" type="checkbox"/> Unmarried	<b>Marital Status:</b> <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried

Property Address: 123 New Home Lane  
City, State, Zip Code: Somewhere, ME 00000 County: Penobscot

We are processing an application from the above named person(s), and expect to have a complete package to you within 60 days. Please reserve funds for this loan. We have reviewed the applicants income and credit history and have tentatively determined the applicant(s) has sufficient qualifying income and credit history to proceed with this application.

/s/ Lender Representative \_\_\_\_\_ Date: 2/2/2005  
(Authorized Lender Representative/Official)

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



## Rural Development Guaranteed Loan Checklist

**Applicant's Name:** Joe Applicant

CAIVRS Number: A01234567 Age: 41

**Co-Applicant's Name:** \_\_\_\_\_

CAIVRS Number: \_\_\_\_\_ Age: \_\_\_\_\_

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**Original Form RD 1980-21, Request/Privacy Act (Rev 1/03):** X

**Uniform Residential Loan Application (Signed)** X

**Appraisal Report:** X

**FEMA Form 81-93 (Rev 6/95):** X

**Credit Report:** X

**Income Verifications:** X

**Purchase Agreement (with legal description):** X

**Form AD-1048 (Rev 1/92):** X

**Signed Underwriting Analysis:** X  
(Credit worthiness, repayment ability, security value)



REQUEST FOR SINGLE FAMILY HOUSING LOAN GUARANTEE

TO: Rural Development Rural Housing Service Guaranteed Loan Division 28 Gilman Plaza, Suite 3 Bangor, ME 04401	Lender ID No. 0123456789
	Lender Name Lender Mortgage Company
	Lender Contact Person Mary Lender
	Lender Phone Number (207) 555-1234
	Lender Fax Number (207) 555-5678

Please issue a Conditional Commitment for Single Family Housing Loan Guarantee in the following case:

Applicant's Name, Address, and County  Joe Applicant 12 Main Street Acton, ME 00000 York County	Social Security No. 012-34-5678
	Age 41
	Telephone Number (207) 423-1897

- The applicant ☐ has ☒ does not have a relationship with any current Rural Development employee.
- The applicant is a (check applicable): ☒ US citizen ☐ qualified alien ☐ U.S. Non-citizen National  
☐ other (explain)
- The applicant is a (check applicable): ☐ veteran ☒ first time homebuyer
- Number of persons in the household: 3
- The applicant's credit report indicates (check one):
  - The applicant has no credit history ☐
  - The applicant has no adverse credit history ☐
  - The applicant has experienced adverse credit history but we have determined that it is beyond the applicant's control ☒
  - Other (explain): ☐
- The current annual income for the household is: \$ 49,400.00
- The current adjusted income for the household is: \$ 43,720.00
- TOTAL DEBT ratio .31 PITI ratio .21
- We propose to loan \$ 95,000 for 30 years at 8.5 % per annum with payments of \$ 731.00 per month.
- The interest rate is based on the ☒ Fannie Mae ☐ VA rate on 7 / 21 / 95.  
☒ The interest rate is locked in until 8 / 24 / 95.  
The interest rate will float until loan closing.  
(If this option is checked and the interest rate increases at loan closing, the loan must be re-underwritten and this certification must be updated).
- The applicant is unable to secure the necessary conventional credit without a Rural Development guarantee upon terms and conditions which the applicant could reasonably be expected to fulfill.
- The applicant understands that Rural Development approval of the guarantee is required and is subject to the availability of funds.
- Housing and Urban Development's Credit Alert Interactive Voice Response System (CAIVRS) was checked for outstanding delinquent Federal debts and confirmation No. A01234567 was obtained.
- Loan funds will be used for the following purpose(s):

Purpose	Amount
Purchase	\$ 92,000.00
Closing costs	\$ 1,000.00
Total Loan = 95,000.00	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

## Certifications

In order to induce the Agency to issue the requested guarantee, we certify that we have originated and underwritten the loan in compliance with all Agency loan requirements. This form contains or is supplemented with all information required by 7 C.F.R. § 1980.353(c).

July 21, 1995  
Date

\_\_\_\_\_  
Lender's Authorized Representative Signature  
Mary Lender

## Applicant(s) Acknowledgments and Certifications

I (We) certify and acknowledge that if the Agency pays a loss claim on the requested loan to the lender, I (We) will reimburse the Agency for that amount. If I (We) do not, the Agency will use all remedies available to it, including those under the Debt Collection Improvement Act, to recover on the Federal debt directly from me (us). The Agency's right to collect is independent of the lender's right to collect under the guaranteed note and will not be affected by any release by the lender of my (our) obligation to repay the loan. Any Agency collection under this paragraph will not be shared with the lender.

I AM (WE ARE) unable to provide the housing I (we) need on my (our) own account, and I am (we are) unable to secure the credit necessary for this purpose from other sources upon terms and conditions which I (we) can reasonably fulfill. I (we) certify that the statements made by me (us) in this application are true, complete and correct to the best of my (our) knowledge and belief and are made in good faith to obtain a loan.

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any Department or Agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

\_\_\_\_\_  
Borrower  
Joe Applicant

\_\_\_\_\_  
Co-Borrower  
Mary Applicant

July 20, 1995  
Date

### FOR AGENCY ONLY

Check one: ☒ The applicant is eligible ☐ The applicant is not eligible

## CREDIT SCORES

Streamlined documentation will continue to be available for primary wage earners with a representative FICO score of 660 or higher, **as long as there is no co-applicant with a representative FICO score under 620.**

FICO Scores of 720 and above: Because of the strength of the score, the underwriter **need not** obtain documentation from the applicant to explain instances of derogatory credit or recent credit inquiries.

FICO Scores Between 660 and 719: Because of the strength of the applicant's credit score, the underwriter **should not have to** obtain documentation to explain instances of derogatory credit or recent credit inquiries.

FICO Scores between 620 and 659: Before approving financing for an applicant who has a credit score in this range, the underwriter typically should perform a complete assessment of all aspects of the applicant's credit history. The underwriter should generally consider an applicant with a credit score in this range acceptable as long as multiple high-risk factors are not layered.

FICO Scores Below 620: The underwriter should approve the mortgage application only if there is very little or no risk layering **and** strong compensating factors or extenuating circumstances are present to offset the applicant's high-risk credit history record.





# VERIFICATION OF EMPLOYMENT

- Form RD 1910-5, “Request for Verification of Employment, “ (or the equivalent HUD/FHA/VA or Fannie Mae form) and the most recent paycheck stub

Or

- Paycheck stubs or payroll earnings statements covering the most recent 30-day period, and W-2 tax forms for the previous 2 tax years, and a telephone verification of the applicant’s current employment

Or

- Electronic verification or other computer generated documents accessed and printed from an Intranet or Internet, and W-2 tax forms for the previous 2 years, and a telephone verification of the applicant’s current employment



U.S. DEPARTMENT OF AGRICULTURE

**Certification Regarding Debarment, Suspension, Ineligibility  
and Voluntary Exclusion - Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

**(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)**

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Organization Name

PR/Award Number or Project Name

Name(s) and Title(s) of Authorized Representative(s)

Joe Applicant

Mary Applicant

July 20, 1995

Signature(s)  
Joe Applicant

Mary Applicant

Date

# Uniform Underwriting and Transmittal Summary

I. Borrower and Property Information			
Borrower Name		SSN	
Co-Borrower Name		SSN	
Property Address			
Property Type	Project Classification	Occupancy Status	Additional Property Information
<input checked="" type="checkbox"/> 1 unit	<input type="checkbox"/> A/III Condo <input type="checkbox"/> E PUD <input type="checkbox"/> 1 Co-op	<input checked="" type="checkbox"/> Primary Residence	Number of Units <u>1</u>
<input type="checkbox"/> 2-4 units	<input type="checkbox"/> B/II Condo <input type="checkbox"/> F PUD <input type="checkbox"/> 2 Co-op	<input type="checkbox"/> Second Home	Sales Price \$ <u>77,216.00</u>
<input type="checkbox"/> Condominium	<input type="checkbox"/> C/I Condo	<input type="checkbox"/> Investment Property	Appraised Value \$ <u>83,000.00</u>
<input type="checkbox"/> PUD <input type="checkbox"/> Co-op	Project Name		Property Rights
<input type="checkbox"/> Manufactured Housing			<input checked="" type="checkbox"/> Fee Simple
<input type="checkbox"/> Single Wide <input type="checkbox"/> Multiwide			<input type="checkbox"/> Leasehold
II. Mortgage Information			
Loan Type	Amortization Type	Loan Purpose	Lien Position
<input type="checkbox"/> Conventional	<input checked="" type="checkbox"/> Fixed-Rate-Monthly Payments	<input checked="" type="checkbox"/> Purchase	<input checked="" type="checkbox"/> First Mortgage
<input type="checkbox"/> FHA	<input type="checkbox"/> Fixed-Rate-Biweekly Payments	<input type="checkbox"/> Cash-Out Refinance	Amount of Subordinate Financing
<input type="checkbox"/> VA	<input type="checkbox"/> Balloon	<input type="checkbox"/> Limited Cash-Out Refinance (Fannie)	\$
<input checked="" type="checkbox"/> USDA/RHS	<input type="checkbox"/> ARM (type)	<input type="checkbox"/> No Cash-Out Refinance (Freddie)	(If HELOC, include balance and credit limit)
	Other (specify)	<input type="checkbox"/> Home Improvement	<input type="checkbox"/> Second Mortgage
		<input type="checkbox"/> Construction to Permanent	
Note Information		Mortgage Originator	Buydown
Original Loan Amount	\$ <u>81,000.00</u>	<input checked="" type="checkbox"/> Seller	<input type="checkbox"/> Yes
Initial P&I Payment	\$ <u>422.54</u>	<input type="checkbox"/> Broker	<input checked="" type="checkbox"/> No
Initial Note Rate	<u>4.750%</u>	<input type="checkbox"/> Correspondent	Terms
Loan Term (in months)	<u>360</u>	Broker/Correspondent Name and Company Name	Original Loan Amount of First Mortgage
			\$
III. Underwriting Information			
Underwriter's Name	Appraiser's Name/License #	Appraisal Company Name	
	Lic#		
Stable Monthly Income	Borrower All Co-Borrower #	Present Housing Payment: \$	
Base Income	\$ <u>1,993.33</u>	Proposed Monthly Payments	
Other Income	\$	Borrower's Primary Residence	
Positive Cash Flow	\$	First Mortgage P&I \$ <u>422.54</u>	
(subject property)	\$	Second Mortgage P&I \$	
Total Income	\$ <u>1,993.33</u>	Hazard Insurance \$ <u>30.60</u>	
	\$ <u>1,993.33</u>	Taxes \$ <u>84.11</u>	
Qualifying Ratios		Mortgage Insurance	
Primary Housing Expense/Income	<u>26.93 %</u>	HOA Fees \$	
Total Obligations/Income	<u>41.78 %</u>	Lease/Ground Rent \$	
Debt-to-Housing Gap Ratio (Freddie)	<u>14.85 %</u>	Other MISC 1007 \$	
		Total Primary Housing Expense \$ <u>536.65</u>	
Qualifying Rate		Other Obligations	
<input checked="" type="checkbox"/> Note Rate	<u>4.750 %</u>	Negative Cash Flow	
<input type="checkbox"/> % Above Note Rate		(subject property)	
<input type="checkbox"/> % Below Note Rate		All Other Monthly Payments \$ <u>296.00</u>	
<input type="checkbox"/> Bought-Down Rate		Total All Monthly Payments \$ <u>832.65</u>	
<input type="checkbox"/> Other		Form Number: <u>2055</u>	
Risk Assessment	Escrow (T&I)	Borrower Funds to Close	
<input type="checkbox"/> Manual Underwriting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Required \$ <u>(118.33)</u>	
<input checked="" type="checkbox"/> AUS		Verified Assets \$ <u>427.34</u>	
<input type="checkbox"/> DU <input type="checkbox"/> LP <input type="checkbox"/> Other		Source of Funds <u>Checking/Savings</u>	
AUS Recommendation		No. of Months Reserves <u>.80</u>	
DU Case ID/LP AUS Key#		Interested Party Contributions <u>2.92 %</u>	
LP Doc Class (Freddie)		Community Lending/Affordable Housing Initiative <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Representative Credit/Indicator Score	<u>631</u>	Home Buyers/Homeownership Education Certificate in title <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Underwriter Comments	conventional credit, he has alternate credit. He has worked in the co construction business for several years. He is unmarried with no children. he has very conservative debt use and modest savings. His mortgage payment is very likely less than he would pay for rent. The property appraised at \$ <u>83,000.00</u> . His LTV is 97.60% and ratios of 26.93/41.78. I would like to ask for a waiver of the back		
IV. Seller, Contract, and Contact Information			
Seller Name		Contact Name	
Seller Address		Contact Title	
Seller No.		Contact Phone Number	
Investor Loan No. <u>51488369</u>		Contact Signature <u>Lender Signature</u>	
Master Commitment No.		Date <u>4/6/05</u>	
Contract No.			

Freddie Mac Form 1077 01/04 Fannie Mae Form 1006 01/04  
 VMP Mortgage Solutions (800)621-7281



# Common Missing Items

- Income Documentation
- Documented Waiver Requests  
(Credit, Ratios)
- Legal Descriptions
- Pest Inspections (York & Cumberland)

**Rural Development  
Guaranteed Rural Housing Loan  
Closing Package Checklist**

**Borrower's Name:** \_\_\_\_\_

**Lender Contact:** \_\_\_\_\_

**Tele:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Copy of Signed Promissory Note** \_\_\_\_\_

**Copy of Signed Real Estate Mortgage**  
**(all pages with legal description)** \_\_\_\_\_

**Form 1980-19, Guaranteed Loan Closing Report (rev. 6/00)** \_\_\_\_\_

**Guarantee Fee Check**  
**(made payable to Rural Development)** \_\_\_\_\_

**Form 1980-18, Conditional Commitment for Single  
Family Housing Loan Guarantee** \_\_\_\_\_

**For any conditions that were listed on Form 1980-18  
provide evidence that conditions have been met** \_\_\_\_\_



Form RD 1980-19 (Rev. 02-02)		GUARANTEED LOAN CLOSING REPORT TRANSACTION CODE 4030	
1. CASE NUMBER		4. LENDER ID NO.	5. LENDER STATUS CODE
ST CO BORROWER'S ID		01 12 13 14 15 16 17 89	11 02
2. BORROWER NAME AND ADDRESS		7. CERTIFICATION EFFECTIVE DATE	8. CERTIFICATION EXPIRATION DATE
A P P L I C A N T , U O E I		MO DA YR	MO DA YR
A P P L I C A N T , M A R I Y		9. LENDER NAME AND ADDRESS	
3 12 15 P U D D L H D U C K I R D I		U E N D I E R I M O N T A G E I C I O	
A C T O N I M E I		S O M F W H E R E M E	
0 0 0 0 0 ZIP CODE		3. BORROWER TYPE CODE	10. SERVICING OFFICE
11. SOURCE OF FUNDS		12. INTEREST ASSISTANCE CODE	13. GUARANTEE FEE PURPOSE CODE
15. AMOUNT OF GUARANTEE FEE PAID		16. AMOUNT OF LOAN-LINE OF CREDIT	17. ADVANCE AMOUNT TO DATE
19. MATURITY DATE OF LOAN		20. TERM OF BUYDOWN/INTEREST ASSISTANCE YEARS	21. PERCENT OF LOAN GUARANTEED
LENDER'S NOTE INTEREST RATE ON NONGUARANTEED PORTION		24. BUYDOWN/INTEREST ASSISTANCE RATE	25. PERIOD OF OPERATING LINE OF CREDIT
27. TYPE OF GUARANTEE		28. INTEREST BASIS (360 OR 365 DAYS)	29. INTEREST RATE CODE
31. DATE GUARANTEE PERIOD BEGINS		32. DATE GUARANTEE PERIOD ENDS	33. ANNUAL REVIEW DATE
35. AUTHORIZED LENDER'S SIGNATURE - I certify that all conditions of the conditional commitment have been met and that this report accurately describes the subject loan.  Mary Lender		36. TITLE  Loan Closing Agent	37. DATE  5/1/2000
COMPLETED BY AGENCY SERVICING OFFICE		COMPLETED BY FINANCE OFFICE	
38. GUARANTEED LOAN NUMBER	39. OBLIGATED LOAN NUMBER	40. BRANCH NUMBER	41. DATE OF DEPOSIT
42. SIGNATURE OF AGENCY REPRESENTATIVE - I have reviewed this report and the information is consistent with the conditional commitment and the supporting documentation provided by the lender.		43. TITLE	44. DATE
<input type="checkbox"/> AGENCY SERVICING OFFICE (ORIGINAL) I FILE POSITION 2		<input type="checkbox"/> LENDER	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0137. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



CONDITIONAL COMMITMENT FOR  
SINGLE FAMILY HOUSING LOAN GUARANTEE

TO: Lender's Name and Address Lender Mortgage Company newhere, ME 00000	Case No.	23-16-012345678
	State	Maine
	County	Penobscot
Borrower Applicant, Joe Applicant, Mary	Principal Amount of Loan	\$ 95,000.00

From an examination of information supplied by the Lender on the above proposed loan, and other relevant information deemed necessary, it appears that the transaction can properly be completed.

Therefore, the United States of America acting through the Rural Housing Service (RHS), or its successor (herein referred to as Agency) hereby agrees that, in accordance with applicable provisions of the Agency regulations published in the Federal Register and related forms, it will execute Form FmHA 1980-17, "Loan Note Guarantee," subject to the conditions and requirements specified in said regulations and below.

The Loan Note Guarantee fee payable by the Lender to Agency is \$ 1,425.00 .

The interest rate for the loan is 8.5000% <sup>1</sup>

A Loan Note Guarantee will not be issued until the Lender certifies as required in 7 CFR 1980.360 that there has been no adverse change(s) in the Borrower's financial condition, nor any other adverse change in the Borrower's condition during the period of time from Agency's issuance of this conditional commitment to issuance of the Loan Note Guarantee. The Lender's certification must address all adverse changes and be supported by financial statements of the Borrower and its guarantors not more than 60 days old at the time of certification.

This conditional commitment becomes null and void unless the conditions are accepted by the Lender and Borrower within 60 days from date of issuance by the Agency. Any negotiations concerning these conditions must be completed by that time.

Except as set out below, the purposes for which the loan funds will be used and the amounts to be used for such purposes are set out on Form FmHA 1980-21, "Request for Single Family Housing Loan Guarantee." Once this instrument is executed and returned to the Agency, no major change of conditions or approved loan purpose as listed on these forms will be considered.

Additional Conditions and Requirements including source and use of funds: <sup>2</sup>

None

This conditional commitment will expire on April 9, 2003 <sup>3</sup> unless the time is extended in writing by the Agency, or upon the Lender's earlier notification to the Agency that it does not desire to obtain an RHCDS guarantee.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Date: January 9, 2003 RHCDS Sr. SFH Guaranteed Area Specialist  
(Title)

<sup>1</sup> Insert fixed interest rate.

<sup>2</sup> Insert any additional conditions or requirements in this space or on an attachment referred to in this space; otherwise, insert "NONE".

<sup>3</sup> RHCDS will determine the expiration date of this contract. This date will not exceed 90 days from the date of issuance. RHCDS may grant one (1) 90 day extension.

Consideration will be given to the date indicated by the Lender in the acceptance of conditions. If construction is involved the expiration date will correspond with the projected completion of the project.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.





LENDER CERTIFICATION  
FOR SFH GUARANTEED LOAN

In connection with the request for loan note guarantee for Applicant, Joe Applicant, Mary  
the following certifications are made by Lender Mortgage Company (Lender). We hereby certify that:

- 1) No major changes have occurred since the issuance of the Conditional Commitment for Guarantee that affect the subject loan request, except any that have been approved by the Agency in writing.
- 2) All planned property acquisition has been completed and all development has been completed.
- 3) The required insurance coverage is in effect.
- 4) All Truth-in-Lending requirements have been met.
- 5) All equal employment opportunity and nondiscrimination requirements have been met at the appropriate time.
- 6) The loan has been properly closed and the required security instruments, including any required recapture instruments, have been obtained.
- 7) The borrower(s) have marketable title to the collateral now owned by the borrower subject to the instrument securing the loan to be guaranteed and any other exceptions approved in writing by the Agency.
- 8) Lien priorities are consistent with the requirements of the Conditional Commitment for Guarantee.
- 9) The loan proceeds have been disbursed for purposes and in amounts consistent with the Conditional Commitment for Guarantee.
- 10) There has been no adverse change in the borrower's financial condition or any other adverse change in the borrower's situation since the Conditional Commitment for Guarantee was issued by the Agency.
- 11) All other requirements listed in the Conditional Commitment for Guarantee have been met.
- 12) At this time, the loan will be ☐ retained, or ☐ sold to \_\_\_\_\_ an approved
- 13) Inspections in accordance with 1980.341 of the subpart have been completed.

☐ FNMA ☐ FHLMC ☐ GNMA lender. The new lender's address is \_\_\_\_\_  
\_\_\_\_\_. Their contact person will be \_\_\_\_\_  
who can be contacted at \_\_\_\_\_.

<u>Lender Signature</u>	<u>Lender Title</u>	<u>2/28/05</u>
LENDER'S AUTHORIZED REPRESENTATIVE SIGNATURE	TITLE	DATE





UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
RURAL HOUSING SERVICE (RHS)  
GUARANTEED RURAL HOUSING (GRH)

Guaranteed Rural Housing Lender Record Change  
(See reverse side for instructions)

MAIL TO: Guaranteed Loan Branch  
Rural Development, USDA  
Attn: FC 350  
PO Box 200011  
St. Louis, MO 63120-0011

Effective Date of Transfer: May 1, 2000

All Blocks, A-D are required to be completed by the transferor.

A. Transferor (The Lender who is transferring the loan(s) and/or servicing of the loan(s). i.e. where the loan is being transferred from):

Lender Tax ID: 01-2345678 USDA Assigned Branch Number: 01

Lender Name: Lender Mortgage Company

Address: Main Street

City: Somewhere State: ME Zip Code: 01234

B. Holding Lender (The RHS approved Lender who will be holding/servicing the mortgage note after the effective date of transfer; i.e. Fannie Mae, Freddie Mac, etc., not Ginnie Mae; See instructions on back):

Lender Tax ID: 01-2345678 Agency Assigned Branch Number: 01

Lender Name: Lender Mortgage Company

Address: Main Street

City: Somewhere State: ME Zip Code: 01234

C. Servicing Lender (The lender that will be servicing the loan(s) after the effective date of transfer):

Lender Tax ID: 01-2345678 Agency Assigned Branch Number: 01

Lender Name: Lender Mortgage Company

Address: Main Street

City: Somewhere State: ME Zip Code: 01234

D. Borrower Information (If more than one (1) borrower, you may attach a list with all of the following information):

Borrower's Social Security Number: 001-23-4567 ☐ This Loan was securitized into a Ginnie Mae Pool

Borrower's Name: Joe and Mary Applicant (Mark an X in the box if loan is securitized into a Ginnie Mae pool)

Address: 3285 Puddleduck Road

City: Acton State: ME Zip Code: 00000

As the lender selling or transferring the servicing of the above loan(s), We certify that the information in this submission is true and correct, and that all loans sold were sold to an RHS approved lender.

(Signature of Authorized Lender Representative/Official)

Date

(Please PRINT Authorized Lender Representative/Official's Name)

Telephone Number

According to the Privacy Act of 1974, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



# Rural Development Website

[www.rurdev.usda.gov/me](http://www.rurdev.usda.gov/me)

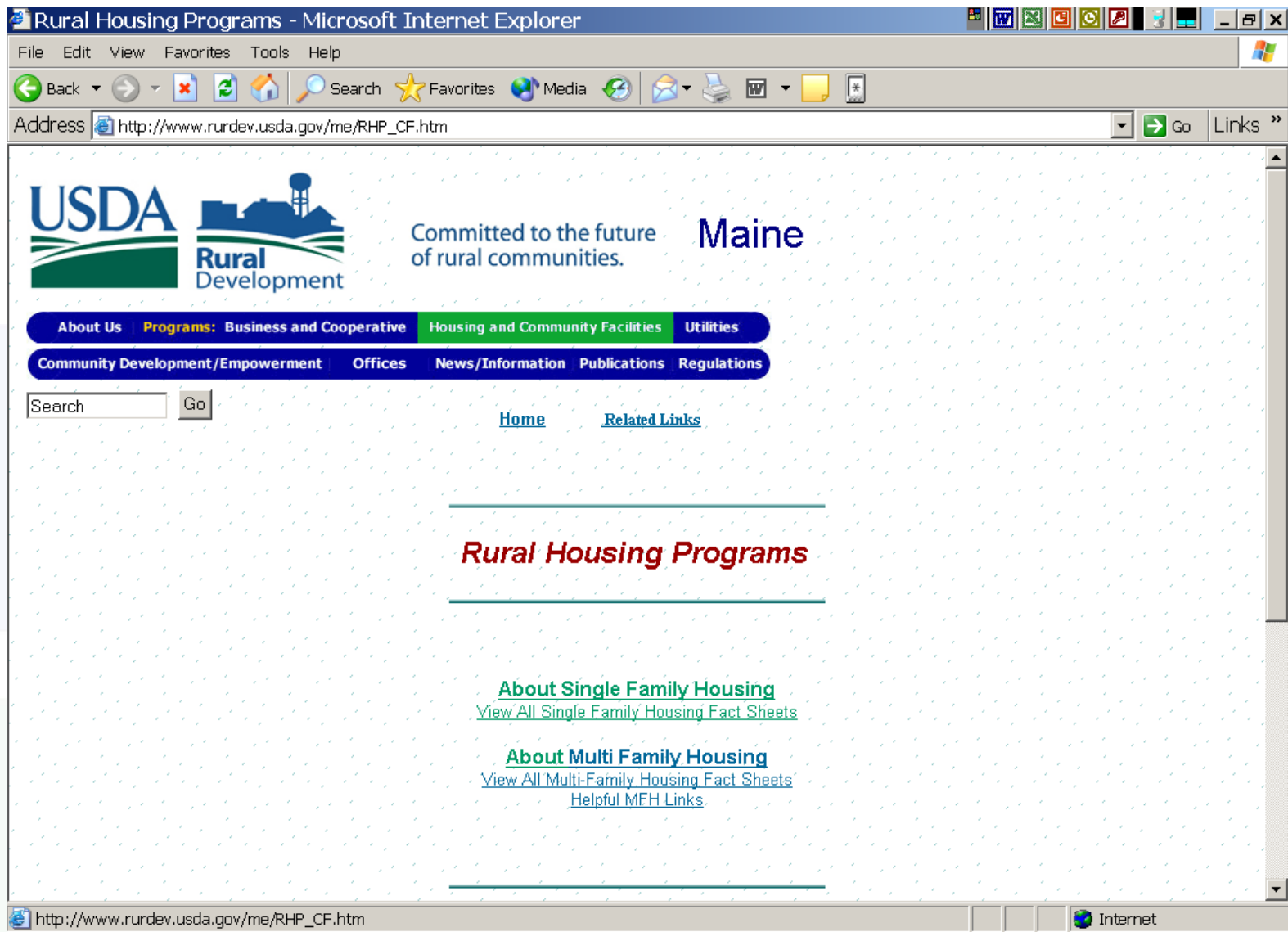


Committed to the future of rural communities.

# Rural Development's Maine Web Page



Committed to the future of rural communities.



Committed to the future of rural communities.

Single Family Hsg Prgms - Microsoft Internet Explorer

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## *Single Family Housing Loans and Grants*

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**Section 502 Guaranteed Loans** - Loans are made by mortgage lenders and guaranteed by USDA Rural Development to low and moderate income applicants to buy or build homes (30 year fixed interest rate) in rural areas of Maine. [Lenders Click Here](#)

**Section 502 Direct Loan Program** - Low interest loans are made directly by Rural Development to applicants whose incomes are less than 80 percent of the median income for the area. This program is focused towards purchasing modest housing, constructing new homes, or repairing pre-owned dwellings, located in rural areas of Maine.

**Section 504 Direct Loan Program** - Loans are made at 1 percent interest rate to repair, improve, or modernize modest single family homes in rural areas, making homes safer or more sanitary, or to remove health and safety hazards. Applicants' incomes must be less than 50 percent of the median income for the area.

Done Internet



Committed to the future of rural communities.

